

11120001 Unbilled Accounts Receivable Reconciliation Training



Unbilled AR Reconciliation Training Objectives

- Understand why the reconciliation is needed
- Gain an understanding of how and where the accounting for Unbilled AR happens
- Learn the steps to do the reconciliation
- Learn how to complete the reconciliation form
- Learn best practices for Unbilled AR processing

Reconciliations Overview

- Accounts Receivable vs Unbilled AR
 - At state year-end the Accounts Receivable and Unbilled AR are added together for the CAFR amount of Accounts Receivable
 - State year-end reflects the accrual of Receivables with RA journals (YAR) as it relates to accrued expenditures (YAE)
 - If Unbilled AR is created through Customer (revenue) Contracts no YAR entry is needed at state year-end

Reconciliations Overview

- Previous vs. Current System (Edison)
 - Legacy (STARS) system did not record receivables until manually recorded at state year-end
 - Edison system reflects all receivables as they are created through the Billing and AR modules
 - Normally would be related to Customer (revenue) Contracts/Grants

Reconciliations Overview

- Previous vs. Current System (Edison)
 - AR 12000001 could be on-line entries in Edison
 - not associated to Customer Contracts but
 - Unbilled AR 11120001 would not be created

Reconciliations Overview

Current System (Edison) Accounting

- Unbilled AR and Revenue – when Revenue is recognized the accounting is normally (CN Jrnl):

Debit to Unbilled AR 11120001

Credit to Revenue 68001000

- A temporary bill is approved and an Invoice Item is created – the accounting is normally (BI Jrnl):

Debit to AR 12000001

Credit to Unbilled AR 11120001

Reconciliations Overview

Current System (Edison) Accounting - Prepaids

33901	33901		33901	
ACT becomes BIL	Revenue Recognition		Revenue Recognition	
CN01708884 Journal from Customer Contract/Grant & Revenue Recognition	occurs with CN Journal		occurs with CN Journal	
Dated 08/12/2014	Debit	Credit	Debit	Credit
68060000 revenue	11120001 Unbilled AR		68060000 Nongovernmental Revenue	
	957.61			(957.61)
			This entry recognizes the Nongov Revenue	
	33901		33901	
	BIL on TN_GR03 Query and is Approved		BIL on TN_GR03 Query and is Approved	
Inv 0000510736 dtd 8/14/14	Single Action ran & becomes Zero Dollar Item		Single Action ran & becomes Zero Dollar Item	
957.61	Debit	Credit	Debit	Credit
BIL becomes BLD	11120001 Unbilled AR		12000001 Accounts Receivable	
BI01711152 Journal 08/14				
offsetting entries both in the BI Journal	957.61	(957.61)	957.61	(957.61)
GL Activity at this point on Unbilled AR & AR	1,915.22	(957.61)	0	0
	33901		33901	
Utilization as of the Billed	Utilization of the Billing from Inv 510736		Utilization of the Billing from Inv 510736	
Invoice Date Produces a	CN Journal created automatically by Edison		CN Journal created automatically by Edison	
2nd CN Journal from Grants	Debit	Credit	Debit	Credit
CN017111275 Journal	11120001 Unbilled AR		35000048 Advanced Liability	
Reduces Advanced on		(957.61)	957.61	
Billed Date 08/14/2014				
GL Activity at this point on Unbilled AR	1,915.22	(1,915.22)	This entry reduces Liability 35XXXXX Account	
Final result of Unbilled	0	0		

Reconciliations Overview

- Why do Reconciliations?
 - Required to be submitted quarterly by F&A Division of Accounts
 - Recommend doing monthly
 - Keeps agency aware of outstanding receivables
 - Required 12000001 – Accounts Receivable
 - Required 11120001 – Unbilled AR

Reconciliation Overview

What should be done on 11120001 Unbilled AR?

- On a given date – *1-2 weeks before or after the end of the fiscal quarter*
- Compare to the General Ledger
- Compare to a subsystem module
 - TN_GR03
 - TN_GR20
- Compare to agency specific tracking

11120001 Unbilled Accounts Receivable

Step 1a – Run TN_GL048_TRIAL_BALANCE_ACCT

- If you only have one fund
- Run for current state year beginning Period 0 to Period needed

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	33201
FUND_CODE	25000
FISCAL_YEAR	2018
ACCOUNTING_PD_BEG	0
ACCOUNTING_PD_TO	5
ACCOUNT	11120001

11120001 Unbilled Accounts Receivable

- Step 1a – Results TN_GL048_TRIAL_BALANCE_ACCT for current year - Period 0 through current date
- Subtotal the values in the Amount field
- Ignore any Project information

Sum of Sum			Fund	
Unit	Account	Year	25000	Grand Total
33201	11120001	2018	\$ 31,244.45	\$ 31,244.45
Grand Total			\$ 31,244.45	\$ 31,244.45

11120001 Unbilled Accounts Receivable

Step 1b – Run TN_GL048_TRIAL_BALANCE_ACCT

- If prior state year has not rolled, run for prior state year beginning Period 0 to Period 998 (Period 999 is the rolled period)

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	33201
FUND_CODE	25000
FISCAL_YEAR	2017
ACCOUNTING_PD_BEG	0
ACCOUNTING_PD_TO	998
ACCOUNT	11120001

11120001 Unbilled Accounts Receivable

- Step 1b – Results TN_GL048_TRIAL_BALANCE_ACCT for prior state year (*if prior year not closed*)
- Subtotal the values and identify them
- Ignore any Project information

TN_GL048_TRIAL_BALANCE_ACCT				
Sum of Sum				Fund <input type="button" value="v"/>
Unit <input type="button" value="v"/>	Account <input type="button" value="v"/>	Year <input type="button" value="v"/>	25000	Grand Total
<input type="button" value="v"/> 33201	<input type="button" value="v"/> 11120001	2017	\$6,958.98	\$6,958.98
Grand Total			\$6,958.98	\$6,958.98

11120001 Unbilled Accounts Receivable

Step 1c –Combine the results of the TN_GL048 queries

(If prior state year has not rolled, add the results of the Step 1 and 2 together) (ignore Project information)

TN_GL048_TRIAL_BALANCE_ACCT					
Sum of Sum	Unit	Account	Year	Fund	Grand Total
	33201	11120001	2017	\$6,958.98	\$6,958.98
Grand Total				\$6,958.98	\$6,958.98
Sum of Sum	Unit	Account	Year	Fund	Grand Total
	33201	11120001	2018	\$31,244.45	\$31,244.45
Grand Total				\$31,244.45	\$31,244.45
Current Date's Trial Balance					\$38,203.43

11120001 Unbilled Accounts Receivable

Step 2 – Run the TN_GR03_BILLING_DETAIL query
before any billing is approved or deleted.

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	33201

11120001 Unbilled Accounts Receivable

Step 2 – Results of TN_GR03_BILLING_DETAIL query taken to a pivot table

With Date Ran noted:

TN_GR03_BILLING_DETAIL ran on 11/20/2017				
Sum of Billing Amount		Fund <input type="text" value="25000"/>		
Bus Unit	Activity			Grand Total
33201	FEDERAL	\$36,176.32		\$36,176.32
	INTERFED	\$36.80		\$36.80
33201 Total		\$36,213.12		\$36,213.12
Grand Total		\$36,213.12		\$36,213.12

Filter out the Interdepartmental activity:

TN_GR03_BILLING_DETAIL ran on 11/20/2017				
Sum of Billing Amount		Fund <input type="text" value="25000"/>		
Bus Unit	Activity			Grand Total
33201	FEDERAL	\$36,176.32		\$36,176.32
33201 Total		\$36,176.32		\$36,176.32
Grand Total		\$36,176.32		\$36,176.32

11120001 Unbilled Accounts Receivable

➤ Step 2 Notes:

If you have multiple funds, one would have to be Step 1 multiple times.

And separate the results of TN_GR03_BILLING_DETAIL by the different funds.

11120001 Accounts Receivable

Step3 – Compare the results by fund of the General Ledger to the non-interdepartmental activity on TN_GR03_BILLING_DETAIL

TN_GR03_BILLING_DETAIL ran on 11/20/2017				
Sum of Billing Amount		Fund		
Bus Unit	Activity	25000	Grand Total	
33201	FEDERAL	\$36,176.32	\$36,176.32	
Grand Total		\$36,176.32	\$36,176.32	
TN_GL048_TRIAL_BALANCE_ACCT				
Sum of Sum Total Amt		Fund		
Unit	Account	Year	25000	Grand Total
33201	11120001	2017	\$6,958.98	\$6,958.98
Grand Total			\$6,958.98	\$6,958.98
Sum of Sum Total Amt		Fund		
Unit	Account	Year	25000	Grand Total
33201	11120001	2018	\$31,244.45	\$31,244.45
Grand Total			\$31,244.45	\$31,244.45
			Current Date's (11/20/2017)Trial Balance	\$ 38,203.43
			Current Date's (11/20/2017) TN_GR03 query (Agency's Internal Records)	\$ 36,176.32
			Reconciling Difference	\$ 2,027.11

11120001 Unbilled Accounts Receivable

Step3 – Comparisons

- If same, you have reconciled the General Ledger balance to the Projects and Billing sub-modules in Edison.

- Record the Results as follows:
 - Record the results of TN_GL048_TRIAL_BALANCE_ACCT on the *General Ledger balance* on the Reconciliation Form
 - Record the TN_GR03 (non-interdepartmental) results on the *Agency Internal Records balance line* of the Reconciliation Form
 - Record the Difference on the *Difference to Reconcile, Reclassify, or Correct line* of the Reconciliation Form

11120001 Unbilled AR

Step 4 Complete the Reconciliation Form

- Don't leave Description field blank; explain how agency did comparison to general ledger – note date!
- Save as signed PDF file.
- Send by to individual on or before due date.
- Identify any reconciling items.

Certification of Account Reconciliation		Finance & Administration Division of Accounts
Fund:	11000	<small>Select from dropdown list</small>
Edison Account Number:	11120001 Unbilled-Accounts receivable	<small>Select from dropdown list</small>
Agency:	[REDACTED]	<small>Select from dropdown list</small>
Date Completed:	10/3/2017	
Fiscal Quarter:	1st Jul-Sep	<small>Select from dropdown list</small>
State Fiscal Year:	2018	
Prepared by:	[REDACTED]	
Reviewed by:	[REDACTED]	

	Amount
General Ledger (GL) Balance	\$ 189,487.57
Agency Internal Records Balance	189,487.57
<small>(Please describe below)</small>	
Difference to Reconcile, Reclassify, or Correct	\$ 0.00

Description of agency internal records balance (e.g., independent system, edison submodule, statement, or report)

Review of TN_GR03_BILLING_DETAIL query as of 10/3/2017

Reconciling item(s) and transaction details	
1.	\$ -
2.	-
3.	-
4.	-
5.	-

Attach list for additional items or explanations and include in the total of reconciling items

Total of Reconciling Items	\$ -
Unreconciled Balance (SHOULD BE -0-)	\$ 0.00

Department Controller or Budget /Fiscal Officer

[REDACTED]

Date: 10/6/2017

By signing above, I certify that the completed reconciliation certification for the account listed is an accurate and verifiable representation of the stated balance and has been prepared and reviewed by accounting personnel employed by this agency. Identified discrepancies will be corrected within 60 days of the above quarter end.

11120001 Unbilled Accounts Receivable

Step 4 – If a Reconciling Difference Exists, run query
TN_GR20_UNBILLED_TRANSACTIONS

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	<input type="text" value="33201"/>

11120001 Unbilled Accounts Receivable

Step 4 continued –

- Make sure Billing Worksheet amounts from TN_GR20 query with BIL and DEF analysis types on the non-interdepartmental Activity(s) equal the amounts on the TN_GR03 query.
- Compare to see if priced transactions exist on TN_GR20 but not on TN_GR03.
- Make sure Contract Status for all Contracts are “Active” with TN_GR20 query and by running query TN_GR22_CONTRACTS_PENDING.
- Make sure all Contract’s Bill Plan Status are “In Progress.”
- Make sure no Contracts are “closed, superceded, or cancelled.”

11120001 Unbilled Accounts Receivable

Step 4 continued – Compare results of the two queries ran on the same date TN_GR20_UNBILLED_TRANSACTIONS to TN_GR03_BILLING_DETAIL.

TN_GR20_UNBILLED_TRANSACTIONS ran on 11/20/2017

Sum of Transaction				Billing Status	
Business Unit	Activity ID	Contr Status	Bill Plan Status	Billing Worksheet	Grand Total
33201	FEDERAL	ACTIVE	In Progress	\$36,176.32	\$36,176.32
Grand Total				\$36,176.32	\$36,176.32

TN_GR03_BILLING_DETAIL ran on 11/20/2017

Sum of Billing Amount			Fund	
Bus Unit	Activity		25000	Grand Total
33201	FEDERAL		\$36,176.32	\$36,176.32
33201 Total			\$36,176.32	\$36,176.32
Grand Total			\$36,176.32	\$36,176.32

11120001 Unbilled Accounts Receivable

Step 5a – If reconciling item(s) exists – search for journals that should have updated GL 11120001, but have not yet been generated or posted:

- a) Run Query TN_GL33_EDIT_ERRORS_HDR – validate that there are no journals with combo edit or balancing errors in the header of the journal which need to be resolved on account 11120001.
- b) Run Query TN_GL13_BUDGET_EXCEPTIONS – validate that there are no budget checking errors on any journals associated to account 11120001 which need to be resolved.
- c) Run Query TN_GL18_BI_NOT_POSTED – validate that there are no invoices that were not posted to the general ledger from billing.
- d) Run Query TN_GL18A_BI_NOT_POSTED_TO_AR – validate that all billing journals and/or Invoice Items have posted to accounts receivable.
- e) Run Query TN_GL25_BI_NO_JRNL_GEN – validate that all billing journals have had a journal generated to post to the general ledger.

11120001 Unbilled Accounts Receivable

Step 5b – If reconciling item(s) exists – validate that no CN journals are in budget error.

Navigation: FSCM> Commitment Control> Review Budget Check Exceptions> General Ledger> Journal

Commitment Control Tran ID

Commitment Control Tran Date =

Business Unit =

Journal ID

Journal Date =

Process Instance =

Process Status =

Limit the number of results to (up to 300):

[Basic Search](#)

No matching values were found.

11120001 Unbilled Accounts Receivable

Step 5c – If reconciling item(s) exists – search for other Unbilled AR account 11120001 non-system generated journals. Run query TN_GL63F_GL_JRNLS_YEAR specifically for account 11120001.

Would have to run for multiple years, not just current year.

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	33201
DEPTID	%
FUND_CODE	25000
FISCAL_YEAR	2018
PRODUCT	%
PROJECT_ID	%
ACCOUNT	11120001
ACCOUNTING_PERIOD2	1
ACCOUNTING_PERIOD3	998

11120001 Unbilled Accounts Receivable

Step 5c – From query TN_GL63F_GL_JRNLS_YEAR use pivot table functionality to filter out the system generated journals of BI and CN (remember Prepaids would have a valid journal for the utilization of zero dollar billings).

TN_GL63F_GL_JRNLS_YR for Current Year					
Sum of Amount	Source				
Unit	BI	CN	JV	Grand Total	
33201	-\$1,700,840.26		\$1,686,875.44	\$45,209.27	\$31,244.45
Grand Total	-\$1,700,840.26		\$1,686,875.44	\$45,209.27	\$31,244.45

Sum of Amount				Source	
Unit	Journal ID	Long Descr	JV	Grand Total	
33201	MISC061701	Reduction of Deferred/Advanced Revenue for zero dollar billings of FY17 expenditures with billed dates in FY18.	\$45,209.27	\$45,209.27	
Grand Total			\$45,209.27	\$45,209.27	

11120001 Unbilled AR

Step 6 Complete the Reconciliation Form

- Don't leave Description field blank; explain how agency did comparison to general ledger – note date!
- Save as signed PDF file.
- Send by to individual on or before due date.
- Identify specific any reconciling items.

Certification of Account Reconciliation		Finance & Administration Division of Accounts
Fund:	25000 <small>Select from dropdown list</small>	
Edison Account Number:	11120001 Unbilled - Accounts Receivable <small>Select from dropdown list</small>	
Agency:	[REDACTED] <small>Select from dropdown list</small>	
Date Completed:	4/21/2017	
Fiscal Quarter:	3rd Jan-Mar <small>Select from dropdown list</small>	
State Fiscal Year:	2017	
Prepared by:	[REDACTED]	
Reviewed by:	[REDACTED]	

	Amount
General Ledger (GL) Balance	\$ 462,412.45
Agency Internal Records Balance <small>(Please describe below)</small>	460,385.34
Difference to Reconcile, Reclassify, or Correct	\$ 2,027.11

Description of agency internal records balance (e.g., independent system, edison submodule, statement, or report)

Used Edison queries: TN_GL048, TN_GR03, TN_GR20 (as of 04/21/2017)

Reconciling item(s) and transaction details

1. Non CN/BI journal that should have been reversed	\$ 2,067.50
2. Transaction IDs 105137824 and 97127347 where Unbilled AR was issue	(40.39)
3.	-
4.	-
5.	-

Attach list for additional items or explanations and include in the total of reconciling items

Total of Reconciling Items	\$ 2,027.11
Unreconciled Balance (SHOULD BE -0-)	\$ 0.00

Department Controller or Budget /Fiscal Officer	Date
[REDACTED]	3/4/17

11120001 Unbilled AR

Step 6 cont. Complete the Reconciliation Form

- By signing the form the Department Controller or Budget/Fiscal Officer should note *that identified discrepancies will be corrected within 60 days of the above quarter end.*

Department Controller or Budget /Fiscal Officer

Date

By signing above, I certify that the completed reconciliation certification for the account listed is an accurate and verifiable representation of the stated balance and has been prepared and reviewed by accounting personnel employed by this agency. Identified discrepancies will be corrected within 60 days of the above quarter end.

11120001 Unbilled AR

Best practices for keeping Unbilled AR reconciled:

- 1) Approve the temporary billings from TN_GR03 on a *daily basis and draw those funds.*
- 2) **Monitor** the Customer (revenue) Contracts and *associated Project ID's transactions* on a regular basis (weekly) for appropriate and allowable expenditures.

11120001 Unbilled AR

Best practices for keeping Unbilled AR reconciled cont.

- 3) When entering Customer (revenue) Contracts make sure that *the correct “Rate Set” and Customers are used.*
- 4) Review all expenditures and *make re-allocations timely,* not quarterly or just at year-end.
- 5) Reconcile Unbilled AR on a weekly basis.